

S-E-C-R-E-T

9 December 1964

LA STAFF NOTE

SUBJECT: Oversight by Embassy La Paz?

1. In the tumultuous period leading up to the overthrow of the Paz Estenssoro regime (20 October - 5 November), Embassy La Paz raised most-high the danger of a Communist takeover if Paz fell. In Airgram 201, dated 27 November, however, Embassy La Paz reports that "the long-standing dissensions within the Partido Comunista Boliviano (PCB) reached a climax in early August 1964." The airgram goes on to relate the dissidence of four (4) members of the PCB Central Committee, the dissidents' public attack on the PCB leadership for serving the MNR (Paz Estenssoro) government, the removal of the four dissidents from the PCB Executive Committee (made public 3 August), and their expulsion from the party on 6 September -- to quote the Embassy, "The split in the PCB was complete." The Embassy message cites the dissidents' charge (made in September), that the PCB and Paz had agreed on electoral tactics and that, in return, the Paz regime had gone easy on the PCB. A-201 also states that the split in the top PCB leadership was reflected in the regional branches of the party. Finally, it relates how "Even after the military takeover on November 4-5, the PCB leadership denounced the dissidents

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State Dept. review completed.

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for taking part in discussions with the anti-Communist military junta and for signing a proclamation of the People's Revolutionary Committee.*

2. One does not have to accept everything with which the dissident Communists charged the PCB leadership to suspect that Embassy La Paz not only based its evaluation of Communist capabilities, in the event the Paz regime fell, on rather specious grounds; but also that it was noticeably dilatory in reporting a major conflict within the Bolivian Communist Party (based on cooperation between the Communist leadership and the Paz regime). Moreover, [redacted]

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[redacted] a copy of an article in the Trotskyite PCR Masas, which analyzes the situation in Bolivia, at the time it was published (10 October 1964), with rather more insight than one can find in Embassy La Paz reporting. That article states (in part):

"The PCB has played a role even within the internal struggles of the MNR, and to the extent that it has been able to count on help from the government it has been able to build up its ranks and become very important in the labor camp. In one way or other, it has become a bureaucratic machine shorn of militancy. It is not an exaggeration to say that the PCB is simply a creature of the MNR.

The profound crisis of officialdom (its corruption in power) is bound to be reflected within the Stalinist camp. Certain Communist party sectors are looking for a new party,

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- * The People's Revolutionary Committee was organized, immediately after the military junta took power, to serve the junta as a self-appointed, civilian advisory group. Its membership includes representatives of all the country's political groups, except the MNR, the PCR (Trotskyite), and -- oddly enough -- the Communist Party (PCB). The latter apparently regarded the overthrow of the Paz regime as providing something less than an "open sesame" to power.

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and in their attempt to justify their past and their present are clashing with the leadership. The crisis of the PCB is nothing more than a reflection of the complete failure of the MGR."

The upshot of Embassy La Paz' handling of reporting on Bolivian political events leads one to wonder if an intelligence analyst in Washington might not have been better off with subscriptions to the Bolivian press and with Richard Patch's articles, in the American University Field Staff Reports, than with Embassy La Paz reporting. Certainly, during recent months, the intelligence community in Washington has been kept rather less than well informed by Embassy La Paz.



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